

FISCAL NOTE

SB 178

February 10, 2001

SUMMARY OF BILL:

- Provides that no gift certificate, gift card, gift check or in-store merchandise credit shall be deemed to be abandoned or unclaimed under the provisions of the Uniform Disposition of Unclaimed Property Act.
- Deletes TCA 66-29-135, which specifies that: (1) gift certificates remaining unclaimed for more than 5 years after becoming payable or distributable are to be considered abandoned; and (2) a gift certificate is to be considered abandoned if the owner has died and left no provisions for anyone to inherit it.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Estimate assumes because gift certificates, gift cards, electronic gift cards, phone cards, etc. are typically purchased in amounts less than \$50 and do not have a specific owner identified, under the laws and regulations governing the reporting to Unclaimed Property, such properties are reported in aggregate amounts. During Fiscal Year ended June 30, 2000 a total of \$7.6 million was reported as aggregate properties of less than \$50 in value. Assuming 5% of Aggregate properties are gift certificates, it can be estimated that the state will realize a decrease of revenues exceeding \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director